

**INSTRUCTIONS FOR COMPLETING
ARTS AND ARTIFACTS INDEMNITY APPLICATIONS**

Please read these instructions carefully before completing the application form. Only applications which provide thorough answers to each question can be considered for a Certificate of Federal Indemnity.

Any questions concerning the application should be directed to:

Alice M. Whelihan
Indemnity Administrator
National Endowment for the Arts
1100 Pennsylvania Avenue, N.W.
Washington, D.C. 20506

telephone: 202/682-5574
fax: 202/682-5603
whelihaa@arts.gov

An original and one copy of the application form and attachments should be sent to the address above. Only one set of visuals (question 19) should be sent. After the application is submitted, you will be expected to inform the Indemnity Administrator, in writing, of any changes.

Reporting Burden

The public reporting burden for the collection of information is estimated to average 45 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The Federal Council on the Arts and the Humanities welcomes any suggestions that you might have on improving the instructions and making them as easy to use as possible. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Alice M. Whelihan, at the address above. Note: applicants are not required to respond to the collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number.

IMPORTANT

NOTE ON IMMUNITY FROM SEIZURE

Public Law 89-259 and Executive Order 12047 authorizes the Department of State to issue notices in the Federal Register to immunize certain cultural objects from seizure by judicial process. The objects must be imported into the United States pursuant to an agreement between the foreign owner or custodian and a U.S. cultural or educational institution for a non-profit exhibition or activity. Prior to publication of the immunity notice, the Department of State must determine that the exhibition of objects is in the national interest, and that the objects are of cultural significance. **The Federal Council strongly recommends applying for this protection for all international exhibitions.** To obtain further information, or to apply for such protection, contact:

Office of the Legal Advisor for Public Diplomacy
United States Department of State
301 Fourth Street, S.W.
Washington, D.C. 20547

202/619-5078

APPLICATION QUESTIONS:

1. **NAME AND ADDRESS OF APPLICANT FOR INDEMNIFICATION**

Enter the name of the individual, nonprofit organization or government entity applying for indemnity. Except for individuals, the name provided must be identical to that in the IRS determination letter for tax-exempt status, or in the official document identifying the applicant as a unit of federal, state, or local government (see question 7). If an exhibition is being shown at several institutions, one institution should apply on behalf of all participants. The Federal Council requires that the applicant must have previously organized at least one international exhibition.

2. **TITLE AND NATURE OF PROPOSED EXHIBITION**

Please enter in paragraph form:

- (a) Title of exhibition.
- (b) Subject matter of exhibition.
- (c) Type of objects in exhibition (paintings, sculpture, manuscripts, etc.).
- (d) Individual responsible for organizing the exhibition and the name of the author of the catalogue.
- (e) Whether the exhibition is part of an exchange program with a foreign government.

3. **TIME PERIOD OF INDEMNIFICATION**

The time period of indemnity begins on the date that condition reports are prepared prior to initial packing at the lenders' premises. Coverage includes the time the objects are in transit and while they are on exhibition. Indemnity coverage ends on the date that condition reports are prepared upon return to the lenders' premises or the place designated by the lender.

Note: The Federal Council rarely approves indemnity coverage for a time period greater than two years.

4. **PLACES AND DATES OF EXHIBITION**

Include specific sites, cities, states, countries and dates where the exhibition will be viewed. If indemnity coverage is requested to begin or end at a site other than the lender's premises, indicate specific sites and dates. If indemnified objects are to be placed in storage between exhibition sites, give dates and the facilities to be used.

Notes: 1) the Federal Council generally limits indemnity coverage for a single exhibition to five (or fewer, depending upon the type and condition of the objects) venues; 2) the Federal Council requires that venues for indemnified exhibitions must have successfully hosted at least one previous museum-caliber exhibition; 3) indemnity should not be requested for inaugural exhibitions in new buildings or substantially renovated spaces. Please indicate if the indemnified exhibition will be the first to be installed in a new building or substantially renovated galleries.

5. **TOTAL NUMBER AND VALUE OF OBJECTS TO BE INDEMNIFIED**

- (a) Total current U.S. dollar valuation for all objects for which indemnity is requested.
- (b) Total number and value of foreign-owned objects for which indemnity is requested.
- (c) Total number and value of United States-owned objects for which indemnity is requested.
- (d) Amount of private insurance premium which would be required to cover objects for which indemnity is requested.
- (e) Source of that insurance premium estimate.

6. **TOTAL NUMBER AND VALUE OF ENTIRE EXHIBITION**

- (a) Total U.S. dollar valuation for all objects in the entire exhibition (include indemnified and non-indemnified objects).
- (b) Total number of objects in the entire exhibition.

7. **EVIDENCE OF FEDERAL TAX-EXEMPT STATUS**

Attach a copy of the organization's IRS determination letter for tax-exempt status, or the official document identifying the applicant as a unit of federal, state or local government.

8. **CERTIFICATION**

The official(s) authorizing the application and directly responsible for organizing the exhibition should read the Certification carefully and indicate compliance with the terms by signing the application.

If the address or telephone number of either the Authorizing Official or the Project Director are different from those stated in question 1, please supply this information.

9. **EXHIBITION SIGNIFICANCE**

State the significance and the educational, cultural, historical, and/or scientific value of the objects to be indemnified and of the entire exhibition in which the indemnified objects will appear. Explain how the risk to the objects is justified by the purposes of the exhibition.

If coverage is requested for both foreign and United States-owned objects, provide a statement demonstrating that the foreign-owned objects are integral to the exhibition as a whole. (This information is essential for the Federal Council to evaluate the significance and value of the objects to be indemnified and their relationship to the exhibition as a whole.)

10. **PACKING, SHIPPING AND SECURITY ARRANGEMENTS**

Should a Certificate of Indemnity be awarded based on this application, you must notify the Indemnity Administrator (see page one) IN ADVANCE, of any changes affecting the time period, list of objects, or packing, shipping, security and storage arrangements, as stated in this application, so that the Certificate can be amended (see attachment for "Amendment Procedures").

Any changes in arrangements which affect the specifications described in this application should be submitted to the Indemnity Administrator for authorization by the Federal Council. The Council will NOT be responsible for any loss or damage to an indemnified object occurring as a result of an unauthorized change.

Indemnity is intended to cover objects in exhibitions for which the most professional and thorough care in packing, shipping, climate control and security arrangements is provided. This section is a critical part of the application and will be examined very closely. If coverage is requested for both foreign and United States-owned objects, please describe arrangements for the foreign first, followed by the U.S. In order for these arrangements to be assessed, it is essential that you state as completely as possible the policies, procedures, techniques and methods to be employed with respect to the following:

(a) Packing arrangements at premises designated by the lender(s)

Indicate who is responsible for the initial packing and crating of the objects from the location(s) designated by the lenders, and describe the packing specifications. Include the names of persons, institutions, and companies responsible for the packing and crating.

(b) Shipping and security arrangements during transport

Indicate the shipping and security arrangements for the objects during transport, including the initial assemblage, points of transfer (between sites) and return to the lenders. The Federal Council requires that couriers accompany all shipments, unless exceptions are approved in advance. Include names (or titles) of couriers and the names of primary shipping companies (or their agents) to be used.

(c) Packing and shipping arrangements for especially fragile objects

For objects considered to be especially fragile and vulnerable to the hazards of travel, such as oversized works, oil on wood panel paintings, or objects comprised of multiple media, specify what special precautions are to be taken with respect to packing, shipping, handling and installation to minimize the risk of damage.

For oil on wood panel paintings, describe the climate conditions at the lenders' premises and how that environment will be maintained throughout the exhibition tour.

Give values, accurate description of present condition (including names and qualifications of individual responsible for making the assessment) and your means of verifying the satisfactory condition of those objects prior to the initial packing for this exhibition.

(d) Condition reports

Indicate provisions for providing condition reports at the following points, giving name and title of the person(s) responsible for filing the report:

- 1) immediately prior to packing and shipping from the location(s) of the lender(s).
- 2) immediately upon delivery and inspection at each location of borrower(s).
- 3) immediately prior to packing and shipping from each location of borrower(s).
- 4) immediately prior to packing and return shipping to location(s) of lender(s).
- 5) immediately upon delivery and inspection at location(s) of lender(s).

If storage facilities are to be used, indicate provisions for providing condition reports, as appropriate.

All reports in 1) through 5) above must be made during the time period of indemnity.

Actual submission of condition reports to the Federal Council with the application is not required. However, an applicant may choose to provide a condition report for an especially fragile object as evidence of its stability.

In the event of a claim for loss or damage to an indemnified object, it is expected that condition reports will be available for the Federal Council's inspection.

Note: If a Certificate of Indemnity is awarded, it is the responsibility of the indemnitee to confirm the stability of the objects for travel and, if necessary, to assure the Federal Council at any time during the indemnity time period that the condition of the objects corresponds to the initial condition report. This may be accomplished by a reasonably accurate, current photograph or, preferably, by inspection by a qualified staff member of the indemnified institution. If photographs are used they should clearly demonstrate physical condition and be so certified by the lender.

For questions 10(e) and (f): For each venue describe where in the building this exhibition will take place.

(e) Climate control conditions (at exhibition sites and storage facilities)

Describe the climate conditions at each exhibition site and storage facility in terms of the following:

- 1) temperature: give degrees and range.
- 2) relative humidity: give percentages and range.
- 3) means of controlling the climate.
- 4) light levels: give range in footcandles.

Describe what special precautions are to be taken for objects most susceptible to damage as a result of fluctuations or extremes in humidity or temperature (such as wood objects, furniture, etc.).

If any objects are light sensitive, such as works of art on paper, textiles, etc., indicate the estimated number of footcandles of lighting to which they will be exposed at each site. (The Council recommends that the level not exceed ten footcandles for such objects.)

(f) Security arrangements (at exhibition sites and storage facilities)

Describe security arrangements at each exhibition site and storage facility, including:

- 1) the number of guards assigned to the exhibition area.
- 2) the number of guards on duty while the exhibition is not open to the public (the Council generally requires that there be 24-hour guards for indemnified exhibitions).
- 3) electronic surveillance.
- 4) fire protection measures (also indicate if there are wet or dry sprinklers in exhibition galleries and storage areas).
- 5) general installation plans related to security for individual objects, including the use of vitrines, stanchions or pedestals, barriers for unglazed or unvarnished works of art, or any other protective measures not already described.
- 6) any other pertinent security arrangements.

SHOULD A CERTIFICATE OF INDEMNITY BE AWARDED FOR THIS EXHIBITION IT WILL BE BASED ON THE DETAILS PROVIDED IN THIS SECTION. IF AN INDEMNIFIED OBJECT IS LOST OR DAMAGED, INDEMNIFICATION MAY BE INVALID IF SECURITY PROVISIONS ARE

DIFFERENT THAN STATED IN THIS APPLICATION.

If a Certificate of Indemnity is awarded, each participating institution must submit to the Indemnity Administrator (address on page one), a letter from the Chief of Security of the institution, endorsed by its Director, within 30 days of the opening of the indemnified exhibition at that site. This letter must certify that security arrangements are still as stated in the approved application.

- (g) Indicate the maximum value of indemnified objects to be transported in a single instrumentality of transportation. The Federal Council permits a maximum of \$80 million per instrumentality of transportation. However, in special circumstances, the Council may limit the amount allowable to less than \$80 million.

11. OTHER INSURANCE ARRANGEMENTS

The Arts and Artifacts Indemnity Act provides for a \$15,000 deductible for exhibitions of up to \$2 million in value; a \$25,000 deductible for exhibitions up to \$10 million in value; a \$50,000 deductible for exhibitions up to \$125 million; a \$100,000 deductible for exhibitions up to \$200 million; a \$200,000 deductible for exhibitions up to \$300 million; a \$300,000 deductible for exhibitions up to \$400 million; a \$400,000 deductible for exhibitions up to \$500 million or more, and a \$500,000 for exhibitions above \$500 million. There is a limit of \$600 million coverage per exhibition.

Please state the insurance or other arrangements including the name(s) of insurance companies to cover the deductible and any amount in excess of the amount to be indemnified.

12. FINANCIAL ARRANGEMENTS

- (a) List the sources of assured or anticipated support to be used to cover the general expenses of organizing the exhibition. If you anticipate significant corporate sponsorship for the exhibition and have related commercial agreements or understandings, please describe or attach copies of such agreements.
- (b) Describe the nature and amount of any loan fees or other contractual arrangements (in excess of \$10,000 for the entire exhibition), including retail agreements, with lenders to the exhibition or with foreign governments representing lenders.

13. **PREVIOUS LOSSES**

Describe all losses over \$5,000 to permanent or loaned collections (whether or not a claim was filed) incurred by the applicant and each participating institution during the three years prior to submitting this application. Similar losses at storage facilities during the past three years must be documented and explained. For each loss include:

- (a) Date of loss/damage.
- (b) Nature and cause of loss/damage.
- (c) Appraised value(s) of lost/damaged item(s) before and after loss.
- (d) Indication of whether there was litigation to determine blame or negligence.

Note: Should additional losses be incurred by the applicant or any of the participating institutions after this application is submitted, please notify the Indemnity Administrator to update this section.

14. **ACCREDITATION**

State whether or not the applicant institution and participating institutions are accredited by the American Association of Museums. Accreditation is not required in order to receive an indemnity. However, if an applicant or participating institution is not accredited, the Federal Council reserves the right to request a statement from the institution describing their procedures for handling loss or damage.

15. **EXHIBITIONS OUTSIDE THE UNITED STATES**

The Arts and Artifacts Indemnity Act permits objects from the United States to be indemnified while on exhibition outside this country, preferably when they are part of an exchange of exhibitions between a foreign country and the U.S. First priority of coverage of exhibitions from the U.S. on exhibition abroad will be given: 1) if an exchange of exhibitions is planned, and 2) if the responsibilities for indemnity will be shared between the U.S. and foreign

institution(s). An exchange of exhibitions can be conceived and planned concurrently by the U.S. and foreign institutions, or created in response within five years (i.e. the time lapse between the end of the first exhibition and the beginning of the second should not exceed five years). Both exhibitions should be of comparable importance.

- (a) If this exhibition will take place outside the U.S., please describe in detail the nature of the exchange, including details of the exhibition being shown in the U.S. and any other insurance arrangements. If no exchange exhibition is planned, the next priority for coverage will be given for exhibitions to be shown in countries which do not have indemnity programs. It is the responsibility of the applicant to provide reliable documentation about the existence of foreign indemnity programs.
- (b) If no exchange is planned, do the country(ies) in which this exhibition is to be shown have indemnity programs?

If a single exhibition contains objects both from the U.S. and from abroad, and that exhibition is to be shown at sites both in the U.S. and abroad, an application for coverage can be made for the foreign and United States-owned objects while on exhibition in the U.S., and for the U.S.-owned objects while on exhibition abroad. However, priority for coverage will be given to joint exhibitions in which the responsibilities for indemnity are shared by the U.S. and foreign institutions.

- (c) If this application is for coverage of a single exhibition, with foreign and United States-owned objects on exhibition in the U.S., and U.S.-owned objects on exhibition abroad, include a statement to that effect in question 2(e) of the application, and:
 - i. include all relevant application information (i.e., places and dates of exhibition; packing, shipping, security information; provision of condition reports, etc.) for all venues in the appropriate application questions.
 - ii. respond to question 16 (Object Identification and Valuation for Foreign-Owned Indemnified Objects) for coverage of foreign-owned objects while on exhibition in the U.S.; and question 17 (Object Identification and Valuation for U.S.-Owned

Indemnified Objects) for coverage of the U.S.-owned objects while on exhibition in the U.S. and abroad.

Note: Federal indemnity does not cover exhibitions consisting solely of U.S.-owned objects on exhibition in this country, or solely of foreign-owned objects on exhibition abroad.

16. **OBJECT IDENTIFICATION AND VALUATION OF FOREIGN-OWNED OBJECTS**

On this form, provide a cleanly typed, clearly legible, numbered list of all foreign-owned objects for which indemnity is requested. If additional space is needed, photocopy or duplicate in identical format, the blank form for question 16. Lists submitted in any other format will be returned.

Include the following information for each object to be indemnified:

- (a) Number.
- (b) Object: type of object: painting, drawing, photograph, ceramic, sculpture, furniture, jewelry, clothing, scientific instrument, manuscript, etc. (Indemnity does not cover frames or cases unless specifically itemized.)
- (c) Description: artist, title, date, medium, support, dimensions, and accession number of the lending institution. If the borrower does not agree with the lender's attribution to an artist, please so indicate.

Indicate if an object contains more than one part (e.g., a pair of earrings). If an object is described as a pair or set, it is the responsibility of the applicant to advise the lender of the Council's policy regarding loss of a part of a pair or set (see Clause 7 of the Certificate of Indemnity).

For *manuscripts*, in addition to the description, give the number of pages, and the number and size of illuminations or illustrations.

For *books*, in addition to the description, give the date of the edition and, if possible, the rarity (i.e. the number of known copies), and describe any annotations or associations.

For *prints and photographs*, in addition to the description, give the date of the print and indicate whether or not the

print was made by the artist or photographer.

Note: For reasons of risk, the Federal Council is generally opposed to indemnifying oil on copper paintings, pastels, lacquer objects, certain types of glass (including enamels), works on parchment or vellum, marquetry, frescoes and other fragile objects. Oversized works and oil on wood panel paintings will be reviewed on a case by case basis. (For oil on wood panel paintings, the Council expects detailed answers to question 10(c). The Council may determine that these objects be moved to the list of non-indemnified objects.

- (d) Lender: full name of the lender and his/her country of residence. Private lenders must be identified by name and country of residence. Any objects owned by a curator of this exhibition must be listed under question 18 "Identification of Non-Indemnified Objects."
- (e) U.S. Dollar Valuation: since Federal indemnity claims can be paid only in U.S. dollars, all foreign currency valuations must be converted into U.S. dollars. Those reasonable currency fluctuations anticipated to occur during the indemnity time period should be reflected in the valuations. If such fluctuations are included, attach justification. The list of objects and valuations is included in the Certificate of Indemnity and will be the basis for determining the amount of a claim payment. On this form, include: 1) lender value (rounded to the nearest dollar); and 2) third party opinion on the lender value (see (f) below).
- (f) Source of Valuation: include 1) name and title of individual originating the valuation (owner, lender, etc.); and 2) name and title of individual confirming the original valuation (appraisal expert, curator, museum director, etc.).

Applicants must have lender values confirmed by experts other than members of the applicant institution's professional staff or those directly involved with the exhibition. For each appraisal expert consulted, attach a brief statement establishing his/her expertise and qualifications.

17. **OBJECT IDENTIFICATION AND VALUATION OF UNITED STATES-OWNED
OBJECTS**

Using the instructions for question 16, provide a separate list, beginning with number one, to describe the United

States-owned objects for which indemnity is requested.

Note: Objects owned by the applicant or participating institutions may not be indemnified while on exhibition at the lender's premises. Such objects may be included on list 17 for coverage while in transit or while on exhibition at other participating institutions.

18. **IDENTIFICATION OF NON-INDEMNIFIED OBJECTS**

This information is necessary for the Federal Council to determine the educational, cultural, historical or scientific value of the exhibition as a whole. On this form, provide a cleanly typed, clearly legible, numbered list of all objects to be included in the exhibition for which indemnity is not requested. If additional space is needed, photocopy or duplicate in identical format the blank form for question 18.

Include the following information for each object:

- (a) Number.
- (b) Object: type of object: painting, drawing, photograph, ceramic, sculpture, furniture, jewelry, clothing, scientific instrument, manuscript, etc.
- (c) Description: artist, title, date, medium and size.
- (d) Lender: full name of the lender and his/her country of residence. If a private lender does not wish to be identified, indicate "private lender."
- (e) OPTIONAL: U.S. Dollar Valuation: applicants are strongly encouraged to provide U.S. dollar valuations for any or all objects in this section. This information is reviewed to help confirm values given in questions 16 and 17. Applicants who do not furnish U.S. dollar valuations for non-indemnified items may be requested to do so.

19. **VISUAL DOCUMENTATION**

- (a) One set of photographs or color photocopies of each object for which indemnity is requested must accompany the application. Clearly label and number the visuals according to the numbers used in questions 16 and 17.
- (b) In addition to the above, submit one slide sheet of up to 12 35mm slides showing highlights of the exhibition; a slide script must be attached to the sleeve, with the numbers used in question 16 and 17.

Visual material will be returned upon request.
